FEDERAL COMMUNICATIONS COMMISSION

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Before the RECEIVED FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

		OFFICE OF THE SECRETARY
In the Matter of)	
)	
Amendment of Parts 32, 36, 61, 64)	RM-8221 /
and 69 of the Commission's Rules to)	
Establish and Implement Regulatory)	
Procedures for Video Dialtone Service)	

Reply of the Fiber Optics Division, TELECOMMUNICATIONS INDUSTRY ASSOCIATION

The Fiber Optics Division of the Telecommunications Industry Association ("TIA") hereby replies to the comments of others in the above captioned proceeding. In Comments of May 21st, TIA said that the subject petition for further accounting rulemaking of the National Cable Television Association ("NCTA") and the Consumer Federation of America ("CFA") was premature for at least four reasons:

- (1) Submitted only 10 months after the FCC expressly had declined to do what Petitioners seek, the Petition fails to give the Commission's alternative of tailored Section 214 conditions a chance to work;
- (2) The Petition replicates pending petitions for reconsideration of the video dialtone Second Report and Order;
- (3) By freezing video dialtone Section 214 activity pending rulemaking, Petitioners would halt the collection of empirical data critical to the ultimate fashioning of generic guidelines for the new telephone systems and services; and

List A B C D E

(4) In any event, the Petition is too vague to support a rulemaking and, if used as the basis for any new proceeding, can only justify a Notice of Inquiry at this time.

With particular reference to the fourth point, TIA said that Section 214 grantees should be required to adhere only to whatever specific safeguards are determined for their discrete applications, and not made subject to any future rulemaking outcomes which are not sufficiently predictable at this time.

The record does not support rulemaking at this time.

A substantial majority of commenters oppose the requested rulemaking and the associated freeze on video dialtone activity pending its outcome. If the submission of INTV is discounted as beyond the scope of the Petition, the lineup is nearly 2 to 1 against rulemaking at this time.

Among parties supporting the request, several appear to proceed from questionable assumptions. For example, NASUCA asserts without support that "the causative factor driving the installation of the fiber trunk was video service." (Comments, 9) The experience of TIA member vendors of fiber systems is to the contrary. Deployment of interexchange and interoffice fiber, far outstripping the minuscule proportions of feeder and distribution cable,² has occurred on the basis of the new medium's proven cost-effectiveness for voice and data transmission.

¹ INTV's real purpose is found halfway through its brief pleading: "INTV also urges the Commission to include . . . the issue of availability of special advantageous tariffs for broadcast signal retransmission." (Comments, 2)

² See the projections of Siemens Stromberg-Carlson at Figure 1, following page 6, of the TIA Comments of February 3, 1992 in CC Docket 87-266. More recently, Corning Incorporated has estimated that only 6% of the feeder and distribution/drop portions of the national telecommunications network -- representing 92% of total network miles -- have been supplied with fiber, while the interexchange and interoffice portions (4% each in mileage) are 75% and 51% fiber, respectively.

Concerning loop installation, as expressed by TIA in the video dialtone Further Notice proceeding, the most powerful influence on fiber deployment is a cautious and essentially short-sighted requirement that the new medium prove itself on an installed first-cost basis against the cost of copper wire for voice alone.³ Where state regulators have imposed such a voice prove-in requirement, their approval of fiber deployment must be taken as a simultaneous determination that the installation will benefit telephone subscribers generally.

Nevertheless, the New Jersey Cable Television Association complains that "LECs have deployed the fiber backbone for video dialtone service without submitting their plans to Section 214 review." (Comments, 4) Most local telephone company network construction, however, is reviewed in advance and authorized not at the federal but the state level, and NJCTA does not appear to be claiming any evasion of that process.⁴

Freezing video dialtone development would be the greater inefficiency.

Several supporters of the Petition assert that for the Commission to proceed on the basis of reviewing particular video dialtone Section 214 applications is inherently inefficient, and that they do not possess the time or resources to devote to monitoring LEC proposals.

The choice of adjudication as against rulemaking is largely within the						
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the agency carefully has explained its reasons for deferring rulemaking⁶ and has shown both patience and prudence in reviewing the LEC VDT applications submitted thus far.

Clearly, far greater inefficiencies lie along the path proposed by Petitioners, for they would freeze the collection of real-world data on video dialtone operation and legislate on the basis of abstractions that are bound to require later revision in light of actual experience.

Conclusion

For the reasons discussed above, the better course is the one laid out by the Commission less than a year ago: To continue to accept and pass upon particular LEC video dialtone applications, imposing such public-interest conditions as each grant may warrant and gathering data about network design and use which can be the basis for any accounting refinements required later.

Respectfully submitted,

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⁶ Second Report and Order, CC Docket 87-266, 7 FCC Rcd 5781 (1992), at ¶¶89-96.

Certificate of Service

I, James R. Hobson, certify that copies of the foregoing Reply of the Fiber Optics Division, Telecommunications Industry Association, were served upon the parties of record by hand or by U.S. mail, postage prepaid, on this 7th day of June, 1993.

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